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SIPDIS  
TELEGRAM

July 27, 2003

To: No Action Addressee  
Action: Unknown  
From: AMEMBASSY ABU DHABI (ABU DHABI 3476 - UNKNOWN)  
TAGS: EAID, PREL, PGOV, PHUM  
Captions: None  
Subject: TAKING STOCK OF UAE ASSISTANCE TO IRAQ  
Ref: None

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C O N F I D E N T I A L ABU DHABI 03476

SIPDIS  
CXABU:  
ACTION: POL  
INFO: RSO AMB DCM P/M ECON

DISSEMINATION: POL  
CHARGE: PROG

APPROVED: AMB: MWAHBA  
DRAFTED: ECON:CCRUMPLER  
CLEARED: DCM: OJOHN

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FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1017  
INFO RUEHZM/GCC COLLECTIVE  
RUEKJCS/SECDEF WASHDC  
RUMICEA/USCINCCENT INTEL CEN MACDILL AFB FL  
RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 ABU DHABI 003476

SIPDIS

STATE FOR NEA/ARP, NEA/RA, NEA/NGA, IO/UNP, AND EB FOR  
JOHN FINN

E.O. 12958: DECL 07/27/03  
TAGS: [EAID](#) [PREL](#) [PGOV](#) [PHUM](#) [IZ](#) [TC](#)  
SUBJECT: TAKING STOCK OF UAE ASSISTANCE TO IRAQ

REFS: A) STATE 214593  
B) ABU DHABI 3423  
C) ABU DHABI 2877

[11](#). (U) Classified by Ambassador Marcelle M. Wahba,  
for reasons 1.5 (b) and (d).

[12](#). (U) Summary. UAE assistance to Iraq -- both  
pledged and delivered -- has been significant. UAE  
Chief of Staff Shaykh Muhammad bin Zayid Al-Nahyan  
(MbZ) confirmed to the Ambassador in July that total  
UAE assistance to Iraq has exceeded \$50 million, and  
he expects this figure to rise to USD \$80 million by  
the end of 2003 (see ref B). This figure obviously

doesn't include the considerable private donations to Iraq provided by senior royal family members -- numbers for these individual contributions usually are not made public. Post is aware, however, that UAE First Lady Shaykha Fatima donated USD \$2 million to the UAE Red Crescent Authority in April for the Iraqi people.

¶3. (U) Summary continued. The UAE Red Crescent Authority (RCA) has undertaken robust humanitarian operations within Iraq, as has the Shaykh Mohammed Bin Rashid Al-Maktoum Charity and Humanitarian Foundation (whose patron is the UAE Defense Minister and Dubai Crown Prince) in Dubai. These two quasi-governmental charities currently serve as the umbrella organizations for the rest of the UAE's NGO's relief efforts in Iraq, and have largely coordinated their activities in Iraq with the Mission. Itemizations of the UAE's contributions to Iraq are keyed to ref A. End summary.

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UAE Humanitarian Assistance  
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¶4. (U) The UAE Red Crescent Authority (RCA) Secretary General Sana'a Al-Kitbi recently provided Post with a running tally of the humanitarian supplies and services provided to the people of Iraq since November 2002 (see ref C). Among the many operations undertaken by the RCA in Iraq, the organization spent USD \$826,000 in pre-war stockpiling of food and medical supplies to villages and hospitals throughout Iraq, USD \$5.5 million in emergency humanitarian aid (more than 1700 tons of medical equipment, food parcels and water tankers) to Iraq during and immediately after the war, and donated a number of heavy trucks to aid other NGOs in Iraq with the distribution of their assistance.

¶5. (U) The RCA began an "air bridge" of humanitarian flights to Baghdad, Basrah, and Mosul in April to support Iraqi hospitals and dispatch about 255 tons of medicines, medical items, children's nutrients and other necessities. As of June, the RCA had sponsored 17 such flights at a cost of more than USD \$1.6 million. Post receives notification from the RAMCC that these RCA flights to Iraq continue on an almost daily basis.

¶6. (U) The RCA has not yet estimated the total cost of evacuating in May nearly 40 wounded children and their parents to the UAE for medical treatment. The Humanitarian Operations Center (HOC) in Kuwait asked the RCA to arrange for and cover all costs associated with the special medical evacuation flights -- the first of which was a presidential Amiri flight -- accommodations and food for the parents while in the UAE, all related medical treatment and rehabilitation, and a return trip home once the patients have recovered.

¶7. (U) The RCA also provided emergency food and shelter to hundreds of Iraqis who were stranded in Dubai at the onset of the war in Iraq. The stranded Iraqis remained in Dubai until the beginning of June, at which time the RCA paid for the Iraqis to return to Iraq overland via Jordan.

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UAE Reconstruction Activities In Iraq  
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¶8. (U) The RCA continues to contribute millions of dollars to rebuild Iraq's infrastructure -- particularly Iraq's health and water and sanitation sectors. The RCA built a water treatment plant with 200,000-gallon capacity in Basrah, and has begun

construction of three other water treatment plants with 25,000-gallon capacity in the surrounding areas. The UAE Red Crescent Authority continues to provide 20,000 gallons a day of potable water to the residents of Basrah, according to press reports. The RCA also donated a generator for the Saba Nissan water station on the Tigris River that provides clean water to approximately 1.5 million people.

¶9. (U) In May, the RCA began the complete renovation and refurbishment of six hospitals in Iraq. A UAE medical team headed this effort, and remains in Iraq to manage the administration of the Shaykh Zayid Hospital in Baghdad -- which the RCA rehabilitated in April. The RCA's hospital rehabilitation program has cost more than USD \$12 million to date.

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UAE Aids Iraq's Economic Recovery  
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¶10. (C) The UAEG already has provided specific proposals for participation in Iraq's economic recovery. UAE officials committed in writing to provide training to Iraqi Central Bank officials in banking operations, banking supervision and examination, and anti-money laundering detection and investigation. Combating terrorist financing through its formal and informal financial networks has been a major goal of the UAEG since 2000, and an area in which the UAEG has made tremendous strides. The UAE was the first Arab country to become a member of the elite Egmont Group of Financial Intelligence Units, and could well serve as a model for Iraq's own financial system. The UAEG also has offered to provide training in trade financing to Iraqi bankers.

¶11. (C) The Abu Dhabi-based Arab Monetary Fund (AMF) also has offered to help develop responsible fiscal and monetary policy in Iraq, carve out a supervisory role for the Iraq Central Bank, and help establish a liberalized trade regime that would lead to Iraq's eventual accession to the WTO. The AMF has expertise in a broad range of economic topics, as well as a formal agreement with the WTO to provide training on trade-related issues to its Arab membership -- which includes Iraq.

¶12. (C) UAE officials have indicated that they could dispatch experts from the Abu Dhabi National Oil Company (ADNOC) to assist in the near term reconstruction of the Iraqi oil sector. Although the UAE could assist the Iraqi Oil Ministry in oil exploration, refining, processing, distribution and management, Abu Dhabi realistically will be Baghdad's competitor in this sector over the long-term.

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Frozen Iraqi Assets In The UAE  
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¶13. (C) As usual, we have obtained exemplary cooperation from the UAE Central Bank regarding the freezing of assets related to the former Saddam regime in the UAE. The UAEG confirmed in a May 6 conference call of the informal contact group on Iraq reconstruction that the UAE Central Bank is now managing the day-to-day operations of the single branch of Rafidain Bank in the UAE. Rafidain Bank in the UAE has operated on a limited basis since the 1990 Iraqi invasion of Kuwait. According to official UAE statistics, the bank maintains total assets of USD \$18.8 million, USD \$17.3 million of which are frozen in the United States and Germany. The Governor recently told Econchief that, due to asset seizure in the United States, the capital adequacy requirements at the bank have dropped below legal limits and the UAEG would like to close the branch -- but will check

with the USG before doing so.

¶14. (C) The UAE Central Bank Governor last week told Econchief that UAE authorities had not located significant assets related to the Saddam regime in the UAE. The Bank had frozen a sum of money belonging to Iraqi Airways since Desert Storm, but has not yet transferred the assets to the Development Fund for Iraq. The Central Bank is drafting a letter to Treasury Secretary Snow concerning these accounts.

Wahba